

EKOVEST BERHAD
(Company No: 132493-D)

Condensed Consolidated Income Statement
For the 3rd quarter ended 31 March 2009

	Quarter ended 31 March		9 months Cumulative 31 March	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	52,174	104,709	203,254	325,980
Operating profit	3,035	7,911	11,127	20,819
Interest expense	(1,465)	(494)	(4,224)	(1,519)
Interest income	293	515	944	1,734
Profit before tax	1,863	7,932	7,847	21,034
Taxation	(575)	(3,336)	(2,465)	(7,724)
Profit for the period	1,288	4,596	5,382	13,310
Attributable to :-				
Equity holders of the parent	1,288	4,587	5,385	13,295
Minority interest	0	9	-3	15
	1,288	4,596	5,382	13,310
Earnings per share attributable to equity holders of the parent				
- Basic (sen)	0.91	3.24	3.81	9.40
- Diluted (sen)	0.91	2.79	3.79	8.10

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008)

EKOVEST BERHAD
(Company No: 132493-D)

Condensed Consolidated Balance Sheets
As At 31 March 2009

	As at 31 March 2009 RM'000	As at 30 June 2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	85,724	62,960
Prepaid lease payments	14,528	14,528
Investment properties	20,548	20,645
Intangible asset	4,961	4,961
Investments in associates	682	682
Other investments	164,779	164,779
Deferred tax asset	39	39
	<u>291,261</u>	<u>268,594</u>
Current assets		
Gross amount due from customers	11,108	18,016
Trade and other receivables	129,638	151,625
Amount owing by associates	-	73
Current tax assets	5,378	2,185
Fixed and time deposits	84,193	87,493
Cash and bank balances	16,748	6,810
	<u>247,065</u>	<u>266,202</u>
TOTAL ASSETS	<u><u>538,326</u></u>	<u><u>534,796</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	141,701	141,388
Reserves	164,040	163,969
	<u>305,741</u>	<u>305,357</u>
Minority interests	1,192	395
Total equity	<u>306,933</u>	<u>305,752</u>
Non-current liabilities		
Hire purchase liabilities	2,440	2,330
Bank term loans	6,971	8,045
Deferred tax liabilities	96	96
	<u>9,507</u>	<u>10,471</u>
Current liabilities		
Gross amount due to customers	28,468	30,979
Trade and other payables	97,675	115,377
Amount owing to associates	734	734
Hire purchase liabilities	1,315	1,087
Overdraft and short term borrowings	90,931	67,878
Current tax liabilities	2,763	2,518
	<u>221,886</u>	<u>218,573</u>
Total liabilities	<u>231,393</u>	<u>229,044</u>
TOTAL EQUITY AND LIABILITIES	<u><u>538,326</u></u>	<u><u>534,796</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>2.1576</u>	<u>2.1597</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008)

Condensed Consolidated Statements of Changes in Equity
For the 3rd quarter ended 31 March 2009

	Attributable to Equity Holders of the Parent					Minority Interest	Total Equity
	Non-distributable			Distributable			
	Share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Retained profit RM'000	Sub-total RM'000	RM'000	RM'000
At 1 July 2008	141,388	46,978	502	116,489	305,357	395	305,752
Issue of share capital - exercise of warrants	313	-	-	-	313	-	313
Net profit for the year	-	-	-	5,385	5,385	(3)	5,382
Acquisition of additional shares in subsidiary	-	-	-	-	-	800	800
Dividend paid	-	-	-	-5,314	-5,314	-	(5,314)
At 31 March 2009	141,701	46,978	502	116,560	305,741	1,192	306,933
At 1 July 2007	138,627	46,978	554	104,944	291,103	6,746	297,849
Issue of share capital - exercise of warrants	2,761	-	-	-	2,761	-	2,761
Net profit for the year	-	-	-	13,295	13,295	15	13,310
Changes of equity interest in subsidiary	-	-	-	-	-	398	398
Dividend paid	-	-	-	-5,231	-5,231	-	(5,231)
At 31 March 2008	141,388	46,978	554	113,008	301,928	7,159	309,087

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008)

EKOVEST BERHAD
(Company No: 132493-D)

Condensed Consolidated Cash Flow Statements
For the 3rd quarter ended 31 March 2009

	9 months ended 31 March 2009 RM'000	9 months ended 31 March 2008 RM'000
Cash inflow from operating activities	12,603	33,614
Cash outflow from investing activities	(25,436)	(56,458)
Cash outflow from financing activities	(6,359)	(616)
	<hr/>	<hr/>
Net changes in cash and cash equivalents	(19,192)	(23,460)
Cash and cash equivalents at 1 July	-29,044	-6,750
Cash and cash equivalents at 31 March	<hr/> <u>(48,236)</u>	<hr/> <u>(30,210)</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008)

Notes to the interim financial report

FRS 134 – Paragraph 16

A1 Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with the Financial Reporting Standard ('FRS') 134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2008.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 30 June 2008, except with the adoption of the following new or revised FRSs as disclosed below :

FRS 117	Leases
FRS 124	Related Party Disclosures
FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the abovementioned new or revised FRSs does not have significant financial impact to the Group other than the effect of the following FRS :-

(a) FRS 117 : Leases

Prior to 1 July 2007, leasehold land was classified as finance lease under property, plant and equipment and stated at cost less accumulated amortization and impairment losses, if any. Upon the adoption of FRS 117, leasehold land is classified as operating lease and the unamortised carrying amounts for leasehold land is now classified as prepaid lease payments. The prepaid lease payments are amortised on a straight-line basis over the remaining period of the leases, which is similar to the depreciation policy applied when the leasehold land were classified as property, plant and equipment.

A2 Audit Report

The preceding annual financial statements of the group were not qualified.

A3 Seasonal or Cyclical Factors

Although seasonal factors have minimal impact on the operations of the Group, the business is nevertheless susceptible to the vagaries of the construction industry.

A4 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the period under review.

A5 Changes in the Estimates of Amount Reported Previously With Material Effect in Current Interim Period

Not applicable.

A6 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the interim quarter.

A7 Dividend

The shareholders have on 22 December 2008 approved the payment of a first and final dividend of 5% less 25% tax amounting to RM5,313,784 for the financial year ended 30 June 2008. The said dividend was paid on 18 March 2009.

A8 Segmental Reporting

No segmental analysis is prepared as the Group is principally engaged in the construction operation.

A9 Revaluation of Property, Plant and Equipment

There were no amendments in the valuation amount of revalued assets brought forward to the current quarter ended compared to most recent annual financial statements.

A10 Material Subsequent Event

There have been no material event subsequent to the quarter and period ended 30 September 2008.

A11 Changes in Composition of Company/Group

Ekovest Brunsfield Holdings Sdn Bhd ('EBHSB'), a 50% owned subsidiary of the Company, had on 2 January 2009 acquired the entire issued and paid-up share capitals of 3 companies namely, Ekofield Danga Cove Sdn Bhd ('EDC'), Ekofield Projects Sdn Bhd ('EPJ') and Ekofield Property Sdn Bhd ('EPP') for a cash consideration of Ringgit Malaysia Two Only (RM2.00) per company, resulting in EDC, EPJ and EPP being the wholly owned subsidiaries of EBHSB.

Other than the above changes, there were no other changes in the composition of the Company or the Group for the quarter under review.

A12 Contingent Liabilities

There were no contingent liabilities during the quarter and the year ended 30 June 2008.

A13 Significant Related Party Transactions

The Group has significant related party transactions with companies in which certain directors of the Company have interests, as follows:

**As at
31 MARCH 2009
RM '000**

**With companies in which certain
Directors of the Company, have interests:**

Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd	141,534
Wengcon Marketing Sdn Bhd	621

BMSB Listing Requirements (Part A of Appendix 9B)

B1 Review of Performance for the Period

For the period ended 31 March 2009, the Group recorded a turnover of RM203.254 million and a profit before tax of RM7.847 million as compared to a turnover of RM325.980 million and a profit before tax of RM21.034 million for the preceding year corresponding period. The decrease in profit before tax was mainly due to the lower revenue reported and increase in construction material, transportation and other costs. The main income contributors for the period ended 31 March 2009 for the Group were from of Duta-Ulu Kelang Expressway (DUKE) and three new projects Universiti Malaysia Sabah (UMS) Phase 2B, Universiti Tun Hussein Onn Malaysia (UTHM) Phase 1 and UTHM (3 Faculties).

B2 Review of Performance for the Quarter

The Group achieved a profit before taxation of RM1.863 million from a turnover of RM52.174 million as compared to the previous quarter of RM3.070 million from a turnover of RM77.461 million. The decrease in profit was substantially due to decrease in the revenue for the reporting quarter as compared to the previous quarter.

B3 Current Year Prospects

For the current year the Group expects the DUKE, UMS phase 2B and UTHM projects to substantially contribute to the Group's turnover and profitability.

Barring any unforeseen circumstances, the Directors were of the opinion that the Group's performance for the current financial year would remain satisfactory.

B4 Forecast/Profit Guarantee

There is no profit guarantee or financial forecast for the current quarter and for the year.

B5 Taxation

	GROUP	
	CURRENT QUARTER ENDED 31 MARCH 2009 RM '000	9 MONTHS ENDED 31 MARCH 2009 RM '000
Current period provision	575	2,893
Under/(Over) provision in respect of prior year	(0)	(428)
	<hr/> 575	<hr/> 2,465

The effective tax rate of the Group and the Company for the current financial year is high compared to statutory rate, mainly due to losses incurred by certain subsidiary companies, non-qualifying capital expenditures, balancing charges and disallowable expenses.

B6 Profit on Sale of Investment and/or Properties

There were no sale of investment or properties during the quarter and the period ended 31 March 2009.

B7 Purchase or Disposal of Quoted Securities

(a) There were no purchases or disposals of quoted securities during the quarter and period ended 31 March 2009.

(c) Investments in quoted securities as at 31 March 2009.

RM'000

Quoted securities in Malaysia

- at cost (quoted) 279

- at market value 1,046

B8 Corporate Exercises

The Company has implemented the following corporate exercises during the two- (2) years preceding the date thereof:-

- (a) On 9 August 2006, the Company entered into a Call Option Agreement with Danga Bay Sdn Bhd (“Danga Bay”), a company incorporated in Malaysia, to have a right to subscribe for 30% of the enlarged issued and paid up share capital of Danga Bay at the point of exercising the call option. The call option is to be exercised in full, at a price to be determined, within the option period of twelve months from the date of the Call Option Agreement. The principal activities of Danga Bay and its subsidiary companies are property development and leisure activities.

The Call Option has since been terminated by the Company and Danga Bay by mutual agreement but the Company’s proposed participation in Danga Bay will be implemented in the following manner as advised by the consultants.

The Company has announced on 4 July 2007 the following proposals :

- A share split involving the sub-division of 2 new ordinary shares of RM0.50 each for every 1 existing share of RM1.00 each in the Company (“Proposed Share Split”);
- Acquisition of 100% equity interest in Danga Bay Sdn Bhd (“DBSB”). On 3 July 2007, the Company entered into a conditional share sale and purchase Agreement with Danga Bay Holdings Sdn Bhd and Credence Resources Sdn Bhd to acquire the entire equity interest, representing 7,000,000 ordinary shares of RM1.00 each in DBSB at an indicative purchase consideration of RM1.1 billion (“Proposed Acquisition”). The purchase consideration will be satisfied by way of issuance of 661,005,338 new ordinary shares in the Company, at price of RM1.33 each and issuance of RM231,085,704 nominal value of irredeemable convertible unsecured loan stock of RM1.00 each in the Company;
- Pursuant to the Proposed Acquisition, DBHSB and CRSB (“Vendor”) will make a renounceable offer for sale of the rights to allotment of up to 136,080,000 ordinary shares in the Company to the existing shareholders of the Company, excluding the Vendors and parties acting in concert, on the basis of 1 offer share for every 2 existing ordinary shares held, at an offer price and date to be determined later,. The Vendors will also undertake a proposed placement of up to 91,264,695 ordinary shares in the Company to Bumiputra investors and other potential investors to be determined later.
- Upon completion of the Proposed Acquisition, the Vendors will collectively own 661,005,338 ordinary shares in the Company, representing 64.84% of the enlarged issued and paid up share capital of the Company. Hence, the Vendors would be required under the Malaysian Code on Takeover and Mergers 1998 (“the Code”) to undertake mandatory offer to acquire all the remaining 358,392,000 ordinary shares in the Company, representing 35.16% of the enlarged issued and paid up share capital of the Company not already owned by the Vendors and parties acting in concert with them.

The Vendors and parties acting in concert with them propose to seek an exemption from the Securities Commission under Practice Note 2.9.1 of the Code from the obligation to undertake mandatory offer to acquire all the remaining shares in the Company not already owned by them

- To amend the Memorandum and Articles of Association of the Company to :
 - adjust the authorized share capital of the Company from RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each to RM200,000,000 comprising 400,000,000 ordinary shares of RM0.50 each pursuant to the Proposed Share Split;
 - increase the authorized share capital of the Company from RM200,000,000 comprising 400,000,000 ordinary shares of RM0.50 each to RM3 billion, comprising 6 billion ordinary shares of RM0.50 each pursuant to the Proposed Acquisition; and
 - to facilitate the creation of new irredeemable convertible unsecured loan stocks in the Company pursuant to the Proposed Acquisition .

On 26 September 2008, the Company had terminated the above conditional share sale and purchase Agreement with Danga Bay Holdings Sdn Bhd and Credence Resources Sdn Bhd by mutual agreement. As such, the above corporate exercise will not be implemented.

B9 Group Borrowing

AMOUNT REPAYABLE WITHIN ONE YEAR	GROUP	
	CURRENT QUARTER ENDED 31 MARCH 2009 RM '000	PRECEDING YEAR ENDED 30 JUNE 2008 RM '000
Bank overdraft-secured	41,619	22,311
-unsecured	23,365	19,793
Bank Term Loans-secured	1,615	1,275
Revolving credit-unsecured	24,332	24,499
	<u>90,931</u>	<u>67,878</u>

AMOUNT REPAYABLE AFTER ONE YEAR	GROUP	
	CURRENT QUARTER ENDED 31 MARCH 2009 RM '000	PRECEDING YEAR ENDED 30 JUNE 2008 RM '000
Bank Term Loans-secured	6,971	8,045
	<u>6,971</u>	<u>8,045</u>

B10 Financial Instruments

The Group has no financial instruments with off balance sheet risk for the quarter and period ended 31 March 2009.

B11 Material Litigation

Save as disclosed below as at 31 March 2009, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board are not aware and do not have any knowledge of any proceedings, pending or threatened against the Group or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group:

- (i) A dispute has arisen between Ekovest Berhad ("EB") or ("Plaintiff") and Shapadu Construction Sdn Bhd ("Shapadu") or ("Defendant") in respect of five (5) packages of sub-contract work under the New North Klang Strait Bypass Highway Project ("Project"). The employer for the Project is Lebuhraya Shapadu Sdn Bhd ("Lebuhraya Shapadu"), the holding company of the Defendant. On 1 August 2000, EB issued a Notice to Arbitrate. An arbitrator has been appointed and both EB and Shapadu has filed in their respective claims and defence. The hearing for the arbitration has commenced on 14 August 2006 as scheduled. Both the Plaintiff and the Defendant have closed their cases. The hearing for the arbitration has been adjourned to a date to be fixed. The particulars of EB's claim and Shapadu's counter claim are as follows:
 - (a) EB's claim against Shapadu for, inter alia, the following:
 - (aa) the sum of RM29,558,720.93 on a quantum meruit for its loss and damage due to the work carried out under the sub-contract; and/or alternatively
 - (bb) the sum of RM7,459,356.15 being the value of the work done uncertified and the sum of RM8,217,960.68 being the amounts retained as retention monies in respect of work executed and value of goods and material delivered under the sub-contract.

- (b) Shapadu's counter claims against EB for , inter alia, the following:
- (aa) the sum of RM33,010,000.00 allegedly being the liquidated ascertained damages ("LAD") due to Shapadu; or alternatively
 - (bb) the sum of RM30,700,000.00 being LAD due to Lebuhraya Shapadu;
 - (cc) the sum of RM2,008,868.93 as an indemnity for failure to carry-out and maintain the work;
 - (dd) the sum of RM22,189,859.75 as an indemnity being the cost of completion;
 - (ee) the sum of RM8,298,455.65 as indemnity being damages suffered by the Employer in completing the work; and
 - (ff) the sum of RM2,006,101.39 as an indemnity being the loss and expense suffered by the Employer.

Since EB has sub-contracted all the relevant work to a third party on a "back to back" basis, and the third party sub-contractor has agreed to indemnify and keep EB indemnified against any losses of damages EB may suffer in the event Shapadu's counter claim is allowed by the court, EB's Directors are of the opinion that the financial impact on the Group is minimal.

Further, EB has sought legal advice in respect of the counter claim made by Shapadu and EB's solicitors are of the opinion that EB has a reasonable prospects of defending the claim particularly when the Employer has not taken an action against the Defendant since most of the claims are on indemnity basis. On that premises, the arbitration against Shapadu will not potentially have any material adverse impact to the financial position of EB.

B12 Dividend

No interim dividend has been declared for the quarter ended 31 March 2009.

B13 Earnings Per Share

	CURRENT QUARTER ENDED 31 MARCH 2009
Basic	
Net profit attributable to ordinary shareholders (RM'000)	1,288
Number of ordinary shares in issue as of 1 January 2009 ('000)	141,388
Effect of shares issued in the quarter ('000)	209
Weighted average number of ordinary shares in issue ('000)	<u>141,597</u>
Basic earnings per ordinary share (sen)	<u>0.91</u>
Diluted	
Net profit attributable to ordinary shareholders (RM'000)	1,288
Weighted average number of ordinary shares in issue ('000)	141,597
Warrants :	
Weighted average number of unissued shares ('000)	37,495
Weighted average number of shares that would have been issued at fair value ('000)	<u>(36,820)</u>
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	<u>142,272</u>
Diluted earnings per ordinary share (sen)	<u>0.91</u>